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ARIZONA CORPORATION COMMISSION

Thank you for your interest in becoming an investment adviser firm or investment adviser representative with the state of Arizona. On March 13, 2001, Arizona enacted legislation requiring investment adviser forms to be filed electronically through the IARD system (Investment Adviser Registration Depository). The IARD is a secure Internet-based registration system for investment advisers and their associated persons. In effect, all investment adviser filings are to be made electronically through the IARD. We hope the enclosed IA packet will be helpful to you when filing your state investment adviser and investment adviser representative applications. The IA packet consists of the following information and documents: Instruction Sheet, Checklist, Series 65/66 Information, No Investment Adviser Activity in Arizona Affidavit, Entitlement paperwork, Part II of the Form ADV, Form U-4 and U-5 Instructions, and Form U-10 and Instructions. Please review the following information as it pertains to your filing requirements:

State Investment Adviser Firms (Licensees)

All applications for investment adviser licensure **must** be filed electronically through the IARD. There is no "hardship" exemption in the state of Arizona as there is at the federal level, which means that all investment adviser firms that wish to do business in Arizona must be registered on the IARD system. To file electronically, you should first become entitled to use the IARD system. To become entitled, complete the enclosed Entitlement paperwork and send it to the NASD Entitlement Group. Once you receive your confirmation packet from the NASD, you are ready to file your Form ADV through the IARD system. ADV Part IA, Part 1B, ADV Part II, and Schedule F are to be filed electronically. (As of April 23, 2007, the IARD system allows for electronic filing of ADV Part II and Schedule F.) Procedures for submitting your Form ADV filing can be found in Chapter 5 of the IARD Firm User's Manual at the IARD website, http://www.iard.com/firm_users_man.asp). Information regarding the filing of ADV Part II on the IARD system is available at the following website:

http://www.nasaa.org/industry_regulatory_resources/uniform_forms/2268.cfm. If you have questions regarding the filing of Form ADV, please contact the IARD call center at 240-386-4848. The No Investment Adviser Activity in Arizona Affidavit **must be filed in paper form** directly with the Securities Division to complete your application filing with the state. (Note: The \$250.00 Arizona filing fee and IARD system fee must be deposited in your NASD Daily Account prior to submitting your investment adviser filings through the IARD.

SEC Investment Adviser Firms (Notice Filers)

All SEC investment advisers (notice filers) are required to file electronically through the IARD system. Procedures for submitting a notice filing can be found in the IARD Firm User's Manual at the above IARD website. If you have not been noticed filed in any other jurisdiction,

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www.cc.state.az.us

you will click “Apply for registration as an investment adviser with the SEC”. Check the Arizona box under Item 2 SEC Registration on Part 1A of the Form ADV. If you have already filed as a notice filer with one or more states, you will submit an “Other-than-Annual Amendment” filing and check the Arizona box. (Note: The \$250.00 Arizona filing fee and IARD system fee must be deposited in your NASD Daily Account prior to submitting your investment adviser filing through the IARD.)

Investment Adviser Representatives

Effective March 18, 2002, investment adviser representative applicants are required to file their applications (Form U-4) electronically on the WebCRD system. Please consult the Firm User’s Manual at the main IARD website for instructions on how to file your Form U-4. An application fee of \$40.00 and a CRD initial set-up fee of \$45.00 for each investment adviser representative application must be deposited in your Daily Account with the NASD prior to submitting your U-4 filing with the state of Arizona. Beginning April 29, 2002, a fingerprint card* may be required to be submitted to the Securities Division. *If the fingerprint card is required, please send to the Division a check for \$29.00 made payable to the Arizona Corporation Commission along with the fingerprint card. **Please request fingerprint cards from the Division, if required.** Please review A.R.S. § 44-3153 and A.R.S. § 44-3156 to determine if the fingerprint card is required.

If you are a notice filer with no place of business in Arizona, you may qualify for an exemption under A.R.S. § 44-3152 and R14-6-210. If you are a registered representative employed with a licensed broker-dealer in Arizona, you may qualify for an exemption under A.R.S. § 44-3152.

Please review the enclosed materials carefully to determine if you are required to be state licensed or make a notice filing (SEC registered) to do business in Arizona as an investment adviser. In addition, you may consider consulting with your attorney or compliance professional for assistance in making this determination. In all cases, you should refer to the specific language in the Arizona Investment Management Act (“Act”), A.R.S. §44-3101, *et seq.* The complete text of the Act can be accessed through the Securities Division’s website, <http://www.ccsd.cc.state.az.us>. Please note that all investment adviser licenses, notice filings, and investment adviser representative licenses will require annual renewal by December 31st.

We are committed to making this process as easy as possible for you. Please feel free to access the IARD web site at <http://www.iard.com> for additional information concerning the IARD process. In addition, if you have any questions which are not addressed in the enclosed materials, we welcome your call. You may contact the Securities Division at (602) 542-4242 and ask for the Duty Officer. You may also stop by our offices located at 1300 West Washington, Third Floor, Phoenix, between the hours of 8:00 a.m. to 5:00 p.m.

Thank you for your interest.